



Indiana State Department of Agriculture  
Governor Michael R. Pence  
Lt. Governor Sue Ellspermann, Secretary of Agriculture and Rural Development  
Gina Sheets, Indiana Agriculture Director

## **A friend to the farmer: A look at ISDA's grain licensing agency**

By Abigail Maurer, ISDA Assistant Director of Communications

*September 2013*

Harvest time is quickly approaching as rows of corn and soybeans are slowly drying out across Indiana. Over the next few months, farmers will harvest their crops and haul them to local grain elevators to sell their 2013 bounty.

But like any area of commerce, things can go wrong in Indiana's grain industry. Grain may not be accurately weighed going in and out of the elevator, creating a discrepancy between what farmers sell and what they get paid. Or, farmers may sell their grain to an elevator, and the promise of payment may go unfilled.

Since the early 1970s, the Indiana Grain Buyers and Warehouse Licensing Agency (IGBWL) has worked to ensure that farmers are protected in the grain industry while creating an environment for the industry to be competitive, innovative and efficient. IGBWL accomplishes this mission through issuing licenses to grain firms and auditing the licensed firms to ensure integrity and consistency in their business practices.

Although headquartered in Indianapolis, IGBWL's six auditors work throughout the state. As of 2013, Indiana has about 270 licensees in the grain businesses. Those 270 licensees represent approximately 700 grain elevators throughout Indiana.

Jerome Hawkins has served as IGBWL director since 2009. Before assuming the role of director, Hawkins worked as an IGBWL field auditor. Hawkins describes IGBWL as the farmer's friend. He says IGBWL works to protect the farmer and create a "level playing field" in the Indiana grain industry.

Hawkins explains that a typical audit consists of assessing current assets and liabilities, testing moisture meters and verifying the company's inventory. He added: "Inventory is very important; it is usually the largest asset of most grain companies. Since it is typically the largest asset, we have to work very hard to accurately verify the assets."



Indiana State Department of Agriculture  
Governor Michael R. Pence  
Lt. Governor Sue Ellspermann, Secretary of Agriculture and Rural Development  
Gina Sheets, Indiana Agriculture Director

As corn and soybean prices continue to grow, the need to verify assets is crucial. Hawkins explained that bin of grain could easily be worth \$600,000. "If you were doing a normal audit of any licensee, and someone told you they had a \$600,000 asset, you want to make sure there's a \$600,000 asset." Hawkins said it is key that a company's assets can cover its liabilities.

Although IGBWLA is a friend to the farmer, it is important to note that it's not the enemy of the grain firms. "We are very industry friendly, and we want to work with, not against, grain businesses," Hawkins said. IGBWLA calls businesses and works with them as needed, and Hawkins asserts that these actions foster a competitive environment where businesses are striving to be their best and institute sound business practices.

ISDA Director Gina Sheets believes that the IGBWLA is a vital piece of ISDA's mission of supporting the growth of Indiana agriculture. "Through the work of Jerome and his colleagues, grain farmers and agribusinesses across Indiana can take confidence in our grain marketing infrastructure," Sheets said. "IGBWLA offers the nation an example of how to create a business environment where farmers are protected and grain firms are challenged to continually improve."

***For more information about ISDA or IGBWLA, please contact Abigail Maurer ([amaurer@isda.in.gov](mailto:amaurer@isda.in.gov) or 317-605-6960). Reproduction of this article is permitted, so long as it is attributed to the Indiana State Department of Agriculture.***